

"MERIT MONEY -- WHO? WHAT? WHY?"

Gregory W. Gray

The question of "who" is an important one when examining the merit issue. First, "who" gets the award; second, "who" decides and third, and perhaps most important, is "who" does not get an award. Obviously the "why" for each of these whos is critical, and this paper examines some of the underlying reasons why merit is an important tool in developing faculty evaluation systems in higher education.

Merit money -- If you get it, you love it. If somebody else gets it, it's probably because the Department Chair has no appreciation of your talents and only recommends friends anyway. This seems to be the impression of many faculty members whenever merit decisions are made. The concept of rewarding faculty members with merit money is not new. The most recent interest in this issue of merit money was stimulated by the Gardner Commissions report, "The Nation At Risk" of 1984. Recommendation D of the report indicated that "salaries for the teaching profession should be increased and should be professionally competitive, market sensitive and performance based." The report went on to say that salaries should be tied to an effective evaluation system that includes peer review, so that superior teachers can be rewarded and poor teachers either improved or terminated. Underlying the entire issue is the fact that in recent years merit money has become an element of most contractual agreements that exist in higher education. Many educators feel merit money should help to address some of the salary deficiencies which exist in teaching, and which cause many good teachers to leave the profession.

William A. Harrison (1984) discussed the problem of

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will have to deal, as well. Few of us, I suspect, can really imagine what it will be like to work in a library that is supported almost entirely by electronically processed information rather than the printed word... but that is what is coming, to soon for some of us, not soon enough for others.

So, the brave new world is upon us. and NACTA must rise to the occasion. It will be an exciting time. I am confident we will weather the transition. but batten down your hatches... it's going to be one whale of a ride!

attracting and retaining qualified teachers in an article entitled "Attracting and Retaining Qualified Teachers? An Issue Brief of the Education Job Training Program". He mentioned some complicating factors, including the increased employment opportunities for women and minorities outside the teaching profession, and the difficulty with objectively measuring teacher performance. Harrison went on to review policy options that range from increasing all teachers' salaries to establishing a merit pay system based on job performance.

Many faculty and teachers unions argue, however, that merit money is not the appropriate tool for rewarding teaching performance. The basic union argument is not against the

merit dollars per se, but against the process used to judge the worth of an individual. The union's position is that it is not easy to measure a colleague's professional competence. In his review of the merit issue, Michael Fassiotto (1986) discussed the pros and cons of merit pay increases in an article entitled "The Merit of Merit". He discussed merit increases as being related to increases in the cost of living, as well as being influenced by judgments of professional competence. Steven Waldman and Betsy Roberts (1988) discussed the problems of evaluating faculty in their

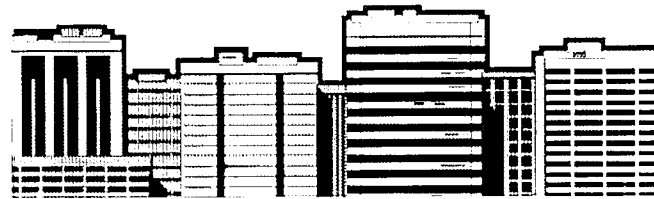
recent article "Grading Merit Pay,." They pointed out that the 1985 Florida teacher of the year, Edie Smith was refused a merit raise. They also identified several other problems encountered with the "merit system" in Florida, and because of these problems, the Florida legislature in 1987 eliminated funding for the merit pay program.

Not only are colleges attempting to reward performance with merit dollars, but also the federal government and private firms are using merit as a performance motivator. Almost 70% of companies in the United States use some type of merit system which rewards above average performance. However, Waldman (1988) points out that roughly 80% of American workers believe that they are better than the norm. Therefore, someone is forced to judge the effectiveness of the employee. In some cases, its the department chair, others the dean and in still others, a committee provides input as to "who" should receive an award.

Definitions

Three or four terms are typically used to describe the situation where an individual is being paid additional monies

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because of his or her performance. In academia, merit is typically the term applied to situations where an individual has done something outstanding or meritorious. Perhaps this could be a significant finding of research, authoring textbooks, lecturing before national and international audiences, etc., etc. Discretionary adjustments, on the other hand, are part of many contractual agreements whereby the administration may distribute monies "at their discretion". Obviously there are guidelines that have been agreed to relative to the granting of discretionary monies. It is important to understand these definitions, yet many states (particularly the state of New York) use the terms interchangeably. Another monetary consideration is a bonus. A bonus differs from merit or discretionary in that it is a one time only award. For example, if an individual gets a \$500 merit or discretionary award, this becomes part of their base salary and subsequent pay raises help to escalate this award. A \$500 bonus is granted on a one-time only basis and thus does not become part of an individual's base salary. The fourth situation is a salary incentive. Incentive money is typically performance based and is used by private industry quite often to reward individuals who have filled certain quotas or who have reached certain goals. Some business people have suggested that we in education should use incentive pay to motivate faculty to get as many students "A" grades in their class as possible. It would be an interesting proposition if we rewarded faculty based upon the number of students who received an "A" grade without changing or altering the standard. Perhaps this idea needs more thought considering the retention problems in today's academic environment.

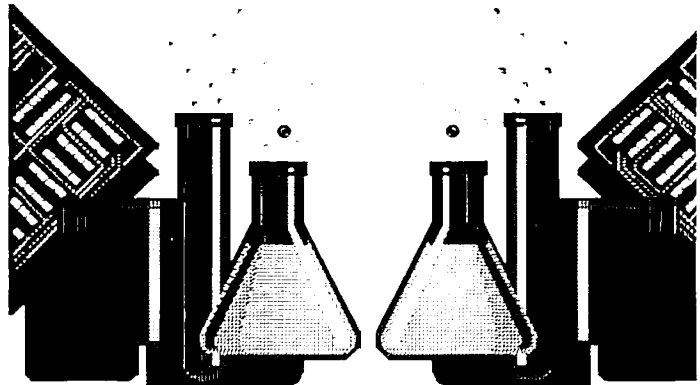
No Scientific Formula

Although merit systems have several built in guidelines and criteria, it must be recognized that there is absolutely no quantitative scientific formula for one human being to evaluate another human being with 100% accuracy. It is important that those in the role of providing such recommendations assume this responsibility and provide recommendations based upon their professional judgement. Rating sheets, performance profiles and other mechanisms have been developed in an attempt to quantify the process. However, in each of these cases, an individual still must provide a rating which ultimately leads to the decision of whether an individual gets, or does not get an award.

The actual development of performance standards for college faculty is not new. Some schools such as the College of Education at Florida State University have developed criteria and procedures for awarding merit pay. In such elaborate cases, the Department Chair plays an active role in the establishment of the criteria and then is responsible for making merit recommendations which are congruent with the objectives established.

Recently, the University of Georgia attempted to identify and differentiate standards of performance which would qualify faculty members for merit pay increases. At the beginning of each year, faculty members and Department Chairs meet to formalize the expectations for each faculty member for the year. Expectations are discussed regarding

NO SCIENTIFIC FORMULA



instruction, research, advisement and committee work, as well as other college related obligations. The merit recommendation is then determined, based upon a comparison of the actual performance with the initial expectations. Our colleagues at the University of Georgia utilize a Merit Service Committee, which has been elected by faculty to review the report and provide their recommendations to the Department Chair. Again, the manner in which this process is implemented will enable the Department Chair to exhibit leadership qualities.

One of the most common pitfalls that may occur is when the process dictates working with department merit committees when making merit recommendations. The danger is that a department chair or dean may use the committee as a scapegoat when an individual has not been recommended for

PITFALLS

- ✓ COMMITTEES
- ✓ SELF NOMINATION
- ✓ CHAIR RENEWAL

merit. This possibility is eliminated when committees and/or department chairs are required to justify their recommendations to individual faculty members.

A related pitfall exists when Department Chairs use their "administrative hat" in making merit recommendations. As an administrator, the Chair ceases to be a peer and must exercise the authority and responsibility for making such decisions. At the same time, the merit committees may not have the same knowledge of individual faculty performance or an awareness of salary differentials, which the Chair should have. Therefore, there may be times when the Department Chair differs with the merit committee. At such times, the committee should be notified of the Department Chair's decision and the rationale should be provided. There have been instances in which the department merit committee

recommended that a faculty member be included on the "merit list," while the chair had earlier recommended that the individual's contract not be renewed.

One of the reasons teacher unions may oppose merit systems relates to the difficulty of establishing objective measures of faculty worth. Unions question if it is possible for faculty performance to be evaluated in the same manner as sales representatives who may have particular quotas to achieve. In reviewing arguments against merit increases, Michael Fassiotto (1986), makes the case that measuring instruments which evaluate quality are suspect, and that merit systems are difficult, if not impossible, to develop.

Possibly the greatest potential for creating controversy lies in the institution conducting the process in a manner which may be incongruent with those policies set forth by the

PERFORMANCE APPRAISAL		
COMMITTEES	+1	SCORE 0-3 = \$0
TEACHING	+2	
ADVISEMENT		3-6 = \$500-800
PUBLICATIONS		7+ = \$1000+
RESEARCH	+2	
GRANTS		
TOTAL	5	

institution. In this case, not only does the administration become vulnerable to verbal retaliation, but also to grievances and potential legal battles.

Theme

In some institutions the president may offer a merit theme for any given year. For example, one year merit recommendations may reflect a teaching emphasis. During that year merit recommendations would recognize outstanding teachers. Another year may find the theme being publication and/or research. In these latter cases, faculty who are expert teachers but have done little or no publishing will probably not be granted the merit raise. Another theme might be salary differentials between sexes. In such instances, the administration would attempt to reduce excessive salary discrepancies between male and female faculty members. It is felt that this system of administrative merit themes is quite helpful to those in developing recommendations because it focuses on particular standards as the basis for making merit decisions.

SUNY

Having worked in the State University of New York system for over 16 years, I have made merit recommendations at both the Department Chair level, and most recently, at the Dean's level. I have had the opportunity, therefore, to

wrestle with the challenges of the SUNY merit system and have come to recognize its duplexity. On the positive side it provides for creative leadership; however, on the negative, it creates the possibility of falling victim to the pitfalls inherent in the system.

The last several contracts negotiated between the United University Professors (U.U.P.) and the State of New York have included 1% of contractual salaries for discretionary increases. Guidelines specify that discretionary increases cannot be less than \$500 or more than \$3,000. It is important to note that these salary supplements are added to a faculty member's base salary, and therefore, each merit increase has a significant long-term impact on a person's salary. It is in the implementation of these policies that academic administrators face the opportunities or pitfalls described earlier.

RELATED ISSUES

The first issue concerns the establishment of a department personnel committee for purposes of recommending merit increases. Is this committee required by the institution? If so, the Department Chair must determine how to interact with the committee. This poses several additional challenges for the Chair. Should the committee consider salary discrepancies among faculty members? Should committee members be permitted to recommend themselves? What are the dynamics of personality between the committee members and the other members of the faculty? Should the Department Chair consider the recommendations a mandate? Obviously the Department Chair must have a clear focus in dealing with these questions. If a committee is mandated, it is essential that the Chair provide strong leadership as he addresses the merit question. However, in most cases the Chair is not mandated by the committee's recommendation, and is free to exercise independent judgment and evaluation.

The second major issue deals with the precise amount of money to be awarded in each instance. Department Chairs are generally given a pool of money to be distributed to faculty. The challenge for the Chair is in determining the size of each individual award. If, for example, the amount of the pool is \$5,000, ought the Department Chair make ten recommendations of \$500 each or five recommendations of \$1,000 each? My personal philosophy when dealing with the merit allocation question is to look at the process as a three-year entity. By so doing, I am able to recommend larger awards for exceptional contributions while at the same time addressing the needs of the solid faculty member by issuing a \$500 award once during the time frame. My experience has shown that two years is too limiting to meet both objectives, whereas four years or more may be considered as making the awards too infrequent. This approach allows me to make more awards annually as well as to substantially increase the salaries of the more deserving.

A third issue is who should receive the merit money. Should it go to the best teacher, the person engaging in research, the professor who publishes, or the faculty member who is most effective in advising students? Should preference be shown to full professors making over \$50,000 or to assistant professors making under \$25,000 a year? These

questions may be answered by referring to relevant policy guidelines established by the institution, or they may be mandated by the terms of the union contract, if applicable. If the guidelines require that salary differences be reduced, then faculty members earning the least should receive greater recognition than those earning the most. On the other hand, if the guidelines emphasize performance, perhaps there should be no discrimination between faculty members at opposite ends of the pay scale.

Another major consideration relates to the frequency in which the award may be given. Should one receive merit two or more years in a row? Are the faculty members who are deserving in one year deserving in subsequent years, and how does the Chair deal with faculty who do not appear to be strong in any given year or over a number of years? Should considerations be made by the administrators to provide merit increases in order to make their salaries more competitive with those of private industry? It is my feeling that a three year time frame provides a better opportunity for these issues to be addressed. If faculty members appear to be doing a good job, then they might reasonably expect to receive merit once every three years. If, on the other hand, someone does an outstanding job each year, then that person might receive awards for two or three consecutive years. In any case, it is easier to develop a total merit plan encompassing several years rather than attempting to deal with the issue, anew, on a yearly basis. Also, if it is generally accepted that the effectiveness of Department Chairs is often measured by the amount of merit monies distributed, it becomes apparent

that they must manipulate the system to garner all available sources for these increases. There are occasions, for example, when not only the deans, but also vice presidents may have funds available for distribution. In these cases, it may be in the best interest of the Chairs to withhold recommendations for faculty who are obviously deserving, thus allowing Chairs to allocate their entire pool of funds to other deserving faculty, with the strong expectation that later in the process the academic deans or vice presidents may support additional payments to those not previously recommended. Playing this game could possibly achieve the Chair's objective of getting the most amount of merit dollars for the faculty, and enhancing one's perceived effectiveness.

Making merit recommendations is a difficult yet extremely important task for college administrators. The process became so unruly that the State of Florida discontinued funding for the process. However, if expectations can be developed and processes followed, the merit process can serve as an excellent tool for motivating and rewarding faculty. Communications are an extremely important part of the process and if properly conducted, the process will be a most useful tool in the evaluation of college faculty.

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